



C A L I F O R N I A   D E P A R T M E N T   O F  
Mental Health

1600 9th Street, Sacramento, CA 95814  
(916) 654-2631

September 29, 2000

DMH INFORMATION NOTICE NO.: 00-06

TO: LOCAL MENTAL HEALTH DIRECTORS  
LOCAL MENTAL HEALTH PROGRAM CHIEFS  
LOCAL MENTAL HEALTH ADMINISTRATORS  
COUNTY ADMINISTRATIVE OFFICERS  
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: FY 1999-2000 COST REPORTS AND COST REPORTING PROCESS

The Department of Mental Health (DMH) preliminary cost reports and cost reporting process for FY 1999-2000 are described within this notice. This year, a new and improved format for reporting is provided. It was designed to focus on providing information in a more user-friendly format that will automatically populate a large portion of the previous legal entity cost report forms. It will also enable a smoother process for editing and conducting the year-end settlement process for each local mental health agency. Listed below are a few highlights regarding the cost report spreadsheets and cost reporting process:

- The cost report automation for this year remains an Excel-based spreadsheet application.
- There will be two sets of Excel-based cost reports:
  - 1) A detail cost report for Legal Entities (contract or county), Medi-Cal and Non-Medi-Cal.
  - 2) A summary cost report for each county or local mental health agency. County-wide summary reports linking information from all legal entities will be generated automatically. These summary reports will be used to complete certain county-only forms.
- This year, the formulas and formats will be "*locked and protected*" to ensure our ability to create a uniform database.
- The cost report is NOT being distributed via diskette, as was done in previous years. It is available from the DMH website at [www.dmh.cahwnet.gov](http://www.dmh.cahwnet.gov).
- Paper-only submission of the cost reports to DMH will not be allowed. Cost report packages from each county local mental health agency will be uploaded to DMH through the Information Technology Web Services (ITWS).

- Cost report training will be held for Level I (for those staff new to mental health cost reports), and Level II (for those staff with experience and knowledge of mental health cost reports) in both the Northern and Southern Regions of the state.
  - 1) The Northern training will be held in Sacramento on Friday, October 13 for Level I, and Monday, October 16, for Level II.
  - 2) The Southern training will be held in San Diego on Thursday, October 19 for Level I and Friday, October 20 for Level II.
  - 3) A separate memo will be sent regarding specific details and registration information for training sessions.
- Weekly cost report conference calls to discuss and address local mental health agency cost report issues are proposed.
- Instruction Manuals, documentation, Frequently Asked Questions (FAQs) and training materials will be available via the DMH website. This will generally be the county's central source of information related to the cost reports.

### **SUMMARY OF CHANGES MADE TO FY 1999-2000**

The following is a summary of the major changes made to the FY 1999-2000 Cost Report forms:

- Addition of 3 new Schedules (A, B, and C) which allow the automated population of several DMH forms.
- Addition of Schedule B to allow automated allocation of Direct Services costs based upon relative value methods or direct allocation.
- Addition of more cell validations that will prompt the user if an invalid number is being input (e.g. If entering "12" in a legal entity field, an error message will appear with a prompt of "Legal Entity number must be 5 digits.")
- Changes and clarifications made to accommodate specialized reporting of Mental Health Specialty Services (Group and Individual providers), Therapeutic Behavioral Services (Organizational providers providing TBS services only), Medi-Cal Administrative Activities (MAA), and Administrative Service Organization (ASO) costs.
- Accommodation of 3 different Short-Doyle/Medi-Cal Maximum Allowable (SMA) rates for Hospital Administrative Day services (Mode 5, service function 19) on form MH 1991.
- Addition of CALWORKS as a funding source on MH 1992.

- Automated calculation of Healthy Families and Enhanced Medi-Cal reimbursement amounts through automated population of forms MH 1910.
- Addition of lines 17C and 17D on MH 1979 to accommodate situations where Medi-Cal reimbursement is reduced due to the lack of matching funds within a contract.

**PRELIMINARY FY 1999-2000 COST REPORT RELEASE**

The draft Excel workbook for FY 1999-2000 “detail cost report for Legal Entities” is now available for downloading through the DMH ITWS. County staff that have a need for access to your county’s cost reporting system data must first enroll in the ITWS via the DMH website ([www.dmh.cahwnet.gov](http://www.dmh.cahwnet.gov)). The draft of the Cost Reporting Instruction Manual is also available through the ITWS. Please remember that these are both in draft form and the final products will be available in final at the time of the Cost Report Training sessions.

We are releasing these in advance of the training to allow staff to have time to do some testing. Please submit feedback and questions through email at: [CFRS\\_Help@dmhhq.state.ca.us](mailto:CFRS_Help@dmhhq.state.ca.us).

Questions related to this notice should be directed to Nancy Yamauchi at (916) 651-6368 or Chuk Okemiri at (916) 651-6367.

Sincerely,

Original signed by Stan Johnson  
for

LINDA A. POWELL  
Deputy Director  
Administrative Services